

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Sprint Communications Company)	IC No. 06-S0259322
)	
Complaint Regarding)	
Unauthorized Change of)	
Subscriber's Telecommunications Carrier)	

ORDER

Adopted: June 8, 2007

Released: June 12, 2007

By the Deputy Chief, Consumer Policy Division, Consumer & Governmental Affairs Bureau:

1. In this Order, we consider the complaint¹ alleging that Sprint Communications Company (Sprint) changed Complainant's telecommunications service provider without obtaining authorization and verification from Complainant in violation of the Commission's rules.² We conclude that Sprint's actions did result in an unauthorized change in Complainant's telecommunications service provider and we grant Complainant's complaint.

2. In December 1998, the Commission released the *Section 258 Order* in which it adopted rules to implement Section 258 of the Communications Act of 1934 (Act), as amended by the Telecommunications Act of 1996 (1996 Act).³ Section 258 prohibits the practice of

¹ Informal Complaint No. IC 06-S0259322, filed December 12, 2006.

² See 47 C.F.R. §§ 64.1100 – 64.1190.

³ 47 U.S.C. § 258(a); Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996); *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers*, CC Docket No. 94-129, Second Report and Order and Further Notice of Proposed Rule Making, 14 FCC Rcd 1508 (1998) (*Section 258 Order*), *stayed in part*, *MCI WorldCom v. FCC*, No. 99-1125 (D.C. Cir. May 18, 1999); First Order on Reconsideration, 15 FCC Rcd 8158 (2000); *stay lifted*, *MCI WorldCom v. FCC*, No. 99-1125 (D.C. Cir. June 27, 2000); Third Report and Order and Second Order on Reconsideration, 15 FCC Rcd 15996 (2000), Errata, DA No. 00-2163 (rel. Sept. 25, 2000), Erratum, DA No. 00-2192 (rel. Oct. 4, 2000), Order, FCC 01-67 (rel. Feb. 22, 2001); Third Order on Reconsideration and Second Further Notice of Proposed Rule Making, 18 FCC Rcd 5099 (2003); Order, FCC 03-116, (rel. May 23, 2003). Prior to the adoption of Section 258, the Commission had taken various steps to address the slamming problem. See, e.g., *Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers*, CC Docket No. 94-129, Report and Order, 10 FCC Rcd 9560 (1995), *stayed in part*, 11 FCC Rcd 856 (1995); *Policies and Rules Concerning Changing Long Distance Carriers*, CC Docket No. 91-64, 7 FCC Rcd 1038 (1992), *reconsideration denied*, 8 FCC Rcd 3215 (1993); Investigation of Access and Divestiture Related Tariffs, CC Docket No. 83-1145, Phase I, 101 F.C.C.2d 911, 101 F.C.C.2d 935, *reconsideration denied*, 102 F.C.C.2d 503 (1985).

“slamming,” the submission or execution of an unauthorized change in a subscriber’s selection of a provider of telephone exchange service or telephone toll service.⁴ In the *Section 258 Order*, the Commission adopted aggressive new rules designed to take the profit out of slamming, broadened the scope of the slamming rules to encompass all carriers, and modified its existing requirements for the authorization and verification of preferred carrier changes. The rules require, among other things, that a carrier receive individual subscriber consent before a carrier change may occur.⁵ Pursuant to Section 258, carriers are absolutely barred from changing a customer’s preferred local or long distance carrier without first complying with one of the Commission’s verification procedures.⁶ Specifically, a carrier must: (1) obtain the subscriber’s written or electronically signed authorization in a format that meets the requirements of Section 64.1130 authorization; (2) obtain confirmation from the subscriber via a toll-free number provided exclusively for the purpose of confirming orders electronically; or (3) utilize an independent third party to verify the subscriber’s order.⁷

3. The Commission also has adopted liability rules. These rules require the carrier to absolve the subscriber where the subscriber has not paid his or her bill. In that context, if the subscriber has not already paid charges to the unauthorized carrier, the subscriber is absolved of liability for charges imposed by the unauthorized carrier for service provided during the first 30 days after the unauthorized change.⁸ Where the subscriber has paid charges to the unauthorized carrier, the Commission’s rules require that the unauthorized carrier pay 150% of those charges to the authorized carrier, and the authorized carrier shall refund or credit to the subscriber 50% of all charges paid by the subscriber to the unauthorized carrier.⁹ Carriers should note that our actions in this order do not preclude the Commission from taking additional action, if warranted, pursuant to Section 503 of the Act.¹⁰

4. We received Complainant’s complaint on December 12, 2006, alleging that Complainant’s telecommunications service provider had been changed to Sprint without Complainant’s authorization. Pursuant to Sections 1.719 and 64.1150 of our rules,¹¹ we notified

⁴ 47 U.S.C. § 258(a).

⁵ See 47 C.F.R. § 64.1120.

⁶ 47 U.S.C. § 258(a).

⁷ See 47 C.F.R. § 64.1120(c). Section 64.1130 details the requirements for letter of agency form and content for written or electronically signed authorizations. 47 C.F.R. § 64.1130.

⁸ See 47 C.F.R. §§ 64.1140, 64.1160. Any charges imposed by the unauthorized carrier on the subscriber for service provided after this 30-day period shall be paid by the subscriber to the authorized carrier at the rates the subscriber was paying to the authorized carrier at the time of the unauthorized change. *Id.*

⁹ See 47 C.F.R. §§ 64.1140, 64.1170.

¹⁰ See 47 U.S.C. § 503.

¹¹ 47 C.F.R. § 1.719 (Commission procedure for informal complaints filed pursuant to Section 258 of the Act); 47 C.F.R. § 64.1150 (procedures for resolution of unauthorized changes in preferred carrier).

Sprint of the complaint and Sprint responded on January 25, 2007.¹² Sprint states that Complainant's service was established in June 2005 and cancelled the following month. Sprint also states that it appears Complainant's line remained connected to Sprint's network, and the disputed calls were routed to Sprint on a "casual toll" basis. Sprint further states that a new account was established for Complainant in November 2006, based on information forwarded to Sprint by Complainant's local exchange carrier (LEC). We served Verizon (Complainant's LEC) with the complaint, and Verizon responded.¹³ Verizon states that it received a CARE feed from Sprint requesting Complainant's service be changed to Sprint in June 2005, and in November 2006, Complainant requested that her service be changed from Sprint to Verizon. Sprint subsequently states that, contrary to Complainant's claim that Sprint switched her line to Sprint in October 2006, her line was not switched at that time, but remained on Sprint's network after she cancelled her Sprint service and that Verizon's response supports these facts.¹⁴ Moreover, Sprint asserts, Complainant did not dispute the original June 2005 switch to Sprint, Verizon's CARE information confirms Complainant's line was switched to Sprint in June 2005, and not switched off the Sprint network until November 2006, consistent with Sprint's previous response.¹⁵

5. Nowhere in the complaint, however, did Complainant state that she at anytime authorized Sprint to be Complainant's authorized carrier. The fact that Complainant did not recognize that the slam occurred until November 2006, does not in any way imply that the complaint alleged that the slam itself occurred in November 2006. Sprint, therefore, was required by our rules to provide proof of any switch of Complainant's service to Sprint,¹⁶ and its assertion that the complaint could not have been related to the June 2005 switch is untenable. Because Sprint failed to provide a third party verification (TPV) or letter of agency (LOA) for the switch in 2005, we find that Sprint has failed to produce clear and convincing evidence that Complainant authorized a carrier change.¹⁷ Therefore, we find that Sprint's actions resulted in an unauthorized change in Complainant's telecommunications service provider and we discuss Sprint's liability below.¹⁸

6. Sprint must remove all charges incurred for service provided to Complainant for

¹² Sprint's Response to Informal Complaint No. IC 06-S0257786, received January 18, 2006.

¹³ Verizon's Response to Informal Complaint No. IC 06-S0259322, received November 14, 2006.

¹⁴ See Sprint's e-mail regarding Informal Complaint No. IC 06-S0259322, received June 4, 2007.

¹⁵ See *id.*

¹⁶ See 47 C.F.R. § 64.1150(d).

¹⁷ See 47 C.F.R. § 64.1150(d).

¹⁸ If Complainant is unsatisfied with the resolution of this complaint, Complainant may file a formal complaint with the Commission pursuant to Section 1.721 of the Commission's rules, 47 C.F.R. § 1.721. Such filing will be deemed to relate back to the filing date of Complainant's informal complaint so long as the formal complaint is filed within 45 days from the date this order is mailed or delivered electronically to Complainant. See 47 C.F.R. § 1.719.

the first thirty days after the alleged unauthorized change in accordance with the Commission's liability rules.¹⁹ We have determined that Complainant is entitled to absolution for the charges incurred during the first thirty days after the unauthorized change occurred and that Sprint may not pursue any collection against Complainant for those charges.²⁰ Any charges imposed by Sprint on the subscriber for service provided after this 30-day period shall be paid by the subscriber to their authorized carrier at the rates the subscriber was paying at the time of the unauthorized change.²¹

7. Accordingly, IT IS ORDERED that, pursuant to Section 258 of the Communications Act of 1934, as amended, 47 U.S.C. § 258, and Sections 0.141, 0.361 and 1.719 of the Commission's rules, 47 C.F.R. §§ 0.141, 0.361, 1.719, the complaint filed against Sprint IS GRANTED.

8. IT IS FURTHER ORDERED that, pursuant to Section 64.1170(d) of the Commission's rules, 47 C.F.R. § 64.1170(d), Complainant is entitled to absolution for the charges incurred during the first thirty days after the unauthorized change occurred and Sprint may not pursue any collection against Complainant for those charges.

9. IT IS FURTHER ORDERED that this Order is effective upon release.

FEDERAL COMMUNICATIONS COMMISSION

Nancy A. Stevenson, Deputy Chief
Consumer Policy Division
Consumer & Governmental Affairs Bureau

¹⁹ See 47 C.F.R. § 64.1160(b).

²⁰ See 47 C.F.R. § 64.1160(d).

²¹ See 47 C.F.R. §§ 64.1140, 64.1160.